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• Examples Of Integrated/ Mixed-Use Developments In China
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Supplementary Slides: FRS 110
Recap on Strategic Roadmap

Key Tasks

- Reduce organisational complexity
  - Streamlined 4 SBUs
  - Improved resource mobility across SBUs
- Review businesses
- Set clear KPIs
- Improve processes
- Re-emphasize Innovation

Set Strategy/Targets

- 2 core markets of Singapore and China
- 6 city clusters – Singapore/Malaysia; Beijing/Tianjin; Shanghai/Suzhou/Hangzhou/Ningbo; Guangzhou/Shenzhen; Chengdu/Chongqing and Wuhan
- Set the ROE target of 8% to 12% on a sustainable basis
- Focus on operating PATMI and asset composition

Announced
On Jan. 13

Announced
On Feb. 13

Announced
On Jul. 13
Recap On Strategic Roadmap

**Focus On Singapore & China As Core Markets**

**Total Assets @ Sept 2013 : $36.4b**
(75% of Group Assets in Singapore & China)

- **Singapore** $12.9b, 36%
- **China** $14.2b, 39%
- **Australia** $5.2b, 14%
- **Other Asia** $3.0b, 8%
- **Europe & Others** $1.1b, 3%

**Group EBIT @ Sept 2013 : $1.4b**
(77% of Group EBIT from Singapore & China)

- **China** $472.2m, 34%
- **Singapore** $599.3m, 43%
- **Other Asia** $100.0m, 7%
- **Europe & Others** $230.3m, 16%

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1 Excluding treasury cash
*China including Hong Kong
**Excludes Singapore & China and includes projects in GCC
***Includes Australia

Singapore And China Will Continue To Be Key Drivers Of CapitaLand’s Business
Recap On Strategic Roadmap

A Well-Diversified Portfolio In Singapore & China

Singapore Assets - S$13.0 billion (36% of Group’s Total Assets*)

- Residential: 32%
- Commercial & Mixed Development: 19%
- Retail: 39%
- Serviced Residences: 6%
- Others: 4%

China Assets - S$14.2 billion (39% of Group’s Total Assets*)

- Residential: 29%
- Commercial & Mixed Development: 33%
- Retail: 32%
- Serviced Residences: 6%

* Excluding treasury cash

Well-balanced To Ride through Cycles
Progress So Far
### YTD Investments Mainly In Singapore & China

**New Investments Of S$1.63 billion (YTD Sept. 2013)**

<table>
<thead>
<tr>
<th>SINGAPORE</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Project Type</td>
<td>Total GFA (sqm)</td>
<td>Investment Amt (S$ M)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coronation Road Site</td>
<td>Residential</td>
<td>37,441 (site area)</td>
<td>366.0²</td>
</tr>
<tr>
<td>Big Orange Self Storage</td>
<td>Self Storage</td>
<td>5</td>
<td>91.8³</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHINA</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Project Type</td>
<td>Total GFA (Sqm.)</td>
<td>Investment Amt (S$M)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Canyon Mall, Beijing</td>
<td>Shopping Mall</td>
<td>70,000</td>
<td>373.0¹</td>
</tr>
<tr>
<td>Hanzhonglu Site, Shanghai</td>
<td>Mixed Development</td>
<td>110,000</td>
<td>397.5³</td>
</tr>
<tr>
<td>No 138 Connaught Road West, Hong Kong</td>
<td>Serviced Residence</td>
<td>3,874</td>
<td>75.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHERS</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Project Type</td>
<td>Total GFA (Sqm.)</td>
<td>Investment Amt (SSM)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Danga Bay Project</td>
<td>Mixed Development</td>
<td>1,021,925</td>
<td>324.0²</td>
</tr>
</tbody>
</table>

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(1) Project Development Expenditure (2) Land cost only (3) Acquisition price of company (4) Based on a 100% basis (5) Post acquisition, more than 10,000 self storage units (6) Includes Malaysia
Scaling Up Ascott’s Presence In China

Leverage On Brand Equity To Increase Hospitality Fee Income

<table>
<thead>
<tr>
<th>Property</th>
<th>Target Opening Date</th>
<th>No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somerset Riviera Guangzhou</td>
<td>1Q 2014</td>
<td>32</td>
</tr>
<tr>
<td>Citadines LiZhiWan Guangzhou</td>
<td>1Q 2014</td>
<td>34</td>
</tr>
<tr>
<td>Citadines Baijia Lake Nanjing</td>
<td>2H 2014</td>
<td>290</td>
</tr>
<tr>
<td>Citadines Intime City Hangzhou</td>
<td>2H 2014</td>
<td>100</td>
</tr>
<tr>
<td>Ascott Central Wuxi</td>
<td>2H 2015</td>
<td>134</td>
</tr>
<tr>
<td>Somerset Wuxi</td>
<td>2H 2015</td>
<td>169</td>
</tr>
<tr>
<td>Ascott Nanbin Chongqing</td>
<td>2015</td>
<td>150</td>
</tr>
<tr>
<td>Somerset Software Park Xiamen</td>
<td>2015</td>
<td>167</td>
</tr>
<tr>
<td>Somerset Swan Lake Hefei</td>
<td>2017</td>
<td>250</td>
</tr>
</tbody>
</table>

Total 9 Management Contracts Signed (1,326 units YTD Sep 13)
Progress So Far

Recycling Capital To Higher Return Projects

(A) Reconstitution Of Portfolio

- Eg. Divestment of 81 units in Somerset Grand Fortune Garden, Beijing

(B) Sale Of Non-core Assets – Total ~S$215 mil. Of Capital Recycled

- Eg. Sale of Technopark@Chai Chee for S$193 million to The Trust Company (Asia) Limited (in its capacity as trustee of Viva Industrial REIT)
  - Sale completed as of 4 November 2013

- Eg. Sale of entire indirect one-third interest in investment properties in the UK
  - Resulted in portfolio gains of S$16.4 million in 3Q 2013
Reduced Financing Costs & Improving Organisational Effectiveness

**Reduce Financing Costs**
- Two CBs buyback exercises in May and September 2013
- Shaved off maturity towers in 2015 and 2016
- Extended maturities of CBs to 2023
- Incur meaningful interest savings (more than S$35 million in 2014)

**Improving Organisational Effectiveness**
- Streamlined business units into 4 core businesses - Singapore, China, CMA and Ascott
- Integration of Surbana Township business into CL China
- Further streamlining within the corporate office eg. re-organisation of Legal, HR, IT and Corporate Communications departments; creation of iHub and Innovation Hub
Examples Of Integrated/ Mixed-Use Developments In China
Raffles City Portfolio

Pipeline of Quality Assets with Stable Rental Income

<table>
<thead>
<tr>
<th>Stabilized</th>
<th>Newly Opened</th>
<th>Under Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raffles City Shanghai</td>
<td>Raffles City Chengdu</td>
<td>Raffles City Changning</td>
</tr>
<tr>
<td>Raffles City Beijing</td>
<td>Raffles City Ningbo</td>
<td>Raffles City Chongqing</td>
</tr>
<tr>
<td>Raffles City Ningbo</td>
<td>Raffles City Hangzhou</td>
<td>Raffles City Shenzhen</td>
</tr>
</tbody>
</table>

- **Year**
  - 2012
  - 2015/2016
  - 2018

- 8 Raffles City developments with a construction floor area of 3.1m sqm
Hanzhonglu, Zhabei District In Shanghai

- A prime site centrally located within the Inner Ring of Shanghai (~15 min drive from Shanghai’s CBD)
- To be developed into a mixed-use development comprising residential, office and retail components

Example of Integrated/Mixed-Use Developments in China


Artist impression of Hanzhonglu site

Project details:

<table>
<thead>
<tr>
<th>GFA (Sq m)</th>
<th>Commercial use</th>
<th>Residential use</th>
<th>Total:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>~75,000</td>
<td>~30,000</td>
<td>~105,000</td>
</tr>
</tbody>
</table>

Acquisition price:
- S$397.5 million
- ~ RMB25,500 per sq m

CLC’s Stake: 70%
Datansha Island

Urban Renewal Project In Liwan District, Guangzhou

- Datansha Island which comprises of a land area of 3.55 km² is located in the western part of downtown Guangzhou.
- The Project will be developed in three main phases.
- CapitaLand has been assisting the Liwan District Government in the urban planning of the Project.
- The Master Plan was approved in Oct 2012.
- CapitaLand has entered into a framework cooperation agreement with Guangzhou Liwan District Government to jointly develop the island project of approximately 3.55 km².
Outlook For ROE Target
Overall Strategy For CL

• Right mix of PUDs (1/3) vs. operating assets (2/3)

• Investment property to form the base with optimal capital structure

• ROE “kicker” to come from development profits
Target Capital Allocation

Asset Class
- Residential
- Shopping Malls
- Serviced Residences
- Offices

ROE Targets
- Singapore Residential: 10-12%
- China Residential: 12-15%
- Stabilised Assets: 8-10%
- Development Assets To Sell (SR & Offices): 12-15%

8% - 12% ROE Target Is Achievable With Long-Term Capital Allocation Plan & Return Targets
Target PATMI And Asset Composition

PATMI Composition

<table>
<thead>
<tr>
<th>As of 30 Sept. 2013</th>
<th>Long term (3 yrs &amp; beyond)</th>
</tr>
</thead>
<tbody>
<tr>
<td>49%</td>
<td>33%</td>
</tr>
<tr>
<td>18%</td>
<td>~20%</td>
</tr>
<tr>
<td>~60%</td>
<td>~20%</td>
</tr>
</tbody>
</table>

PUDs¹ vs. Operating Assets²

- Projects Under Development: 34%
- Operating Assets: 66%

Real Estate Assets as at 30 Sept 2013

- Good Mix Of Investment Properties & Serviced Residences, Singapore and China Residential Projects
- Predominantly Investment Properties & Serviced Residences. Also include Singapore and China Residential Projects that have commenced profit recognition

Note:
1. PUDs are non P/L contributing assets comprising either projects which are under development or land sites which have not commenced development or residential projects which have been launch for sale or will be launched within the current year but profit recognition will not be in current year.
2. Operating assets are P/L contributing assets comprising office, shopping malls, serviced residences and residential projects which have commenced profit recognition or whose units will be handed over to buyers within the current year.
Outlook For ROE Target

(2012)

6.2% → 8-12%

Short term (2 yrs)

• Sale of approx. 1,700\(^1\) resi units in SG and completion of approx 4,100\(^2\) units in CN

• Opening of 6 shopping malls in Singapore, China and India

• Opening of about 25 – 30 properties worldwide by Ascott

• Continue to divest non-core assets/recycling of stabilised assets

Long term (3 yrs & beyond)

• Opening of 4 Raffles Cities – Changning, Hangzhou, Shenzhen and Chongqing

• Opening of 14 shopping malls in China, Malaysia and India

• To achieve 40,000 operational units by Ascott

• New mixed-use / residential developments

Note:
1. Sales pipeline of ~1,700
2. Estimate of completions of launched units in 2H 2013 and 2014 (does not include CL Township)
Moving Forward
Moving Forward

- **Focus on integrated/mixed-use developments**
  - Through harnessing synergies across competencies in our 4 core business: Singapore, China, CMA and Ascott

- **To be nimble and flexible to undertake asset recycling**
  - Redeploy capital to higher return projects

- **Continue with processes to improve organisational effectiveness**

- **Improve capital productivity**
Thank You
Supplementary Slides
Upcoming Implementation Of FRS 110
Consolidated Financial Statements

Background

• Changes to the definition of an investor’s **control** over an investee

• Affects consolidation of REITs as Sponsors deemed to have control over REITs based on its significant stake and involvement as REIT manager

• Most countries have adopted FRS 110 in 2013, except for Singapore and Europe

• Singapore has deferred implementation by 1 year to 1st January 2014

How Is “Control” Established

• A) Investor is exposed, or has rights, to variable returns from its involvement with the investee; and

• B) Investor has the ability to affect returns through its power with the investee
### CL’s Current Holding In Various REITs

<table>
<thead>
<tr>
<th>Name of REITs</th>
<th>SBU</th>
<th>SBU's Effective Stake*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascott Residence Trust</td>
<td>Ascott</td>
<td>45.22%</td>
</tr>
<tr>
<td>CapitaMalls Malaysia Trust</td>
<td>CMA</td>
<td>36.01%</td>
</tr>
<tr>
<td>CapitaCommercial Trust</td>
<td>CLS</td>
<td>32.10%</td>
</tr>
<tr>
<td>CapitaMall Trust</td>
<td>CMA</td>
<td>27.61%</td>
</tr>
<tr>
<td>CapitaRetail China Trust</td>
<td>CMA</td>
<td>25.74%</td>
</tr>
<tr>
<td>Quill Capital Trust</td>
<td>CLS</td>
<td>9.63%</td>
</tr>
</tbody>
</table>

* As at 30 Sept 2013
## Potential Implications Of FRS110 On CL

### Impact On Assets & Equity
- Assets and liabilities of REITs will be consolidated at each line of CL Group’s balance sheet
- Resultant debt, asset and equity will be higher

### Impact On Debt
- Slightly different credit ratios
- Higher consolidated debt level

### Impact On Profit & Loss
- Transactions with the REITs will be considered intra-company transactions. Eg. fee revenue from REITs will be eliminated in full against REITs management fees
- Not expected to have impact on bottom line

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Overall Financial Impact Not Expected To Be Significant